

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4224-01
Bill No.: HB 1748
Subject: Water Resources and Water Districts; Environmental Protection; Fees
Type: Original
Date: February 20, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Safe Drinking Water	\$2,000,000	\$2,400,000	\$2,400,000
Total Estimated Net Effect on <u>All</u> State Funds	\$2,000,000	\$2,400,000	\$2,400,000

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State** assume this proposal would extend the primacy fee to September 1, 2007. Based on experience with other divisions; the rules, regulations and forms issued by the Department of Natural Resources and the Department of Health and Senior Services could require as many as approximately 6 pages in the Code of State Regulations. For any given rule, roughly one-half again as many pages are published in the Missouri Register as are published in the Code because of cost statements, fiscal notes and notices that are not published in the Code. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. $[(6 \times \$27) + (9 \times \$23) = \$369]$

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Revenue, Office of Administration - Division of Budget and Planning** and the **Department of Health and Senior Services** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Department of Natural Resources** (DNR) assume this proposal would extend the sunset date for collecting the drinking water primacy fee until September 1, 2007. Current law contains a September 1, 2002 sunset. This fee costs Missouri households 66¢ - \$2.00 per year and generates approximately \$2.4 million in revenues annually to the Safe Drinking Water Fund. The proposed legislation does not change DNR's authority but would continue to fund an existing program.

State law requires the cost of testing to be borne by DNR and this testing cost is currently funded by the primacy fee. Vulnerability assessment performed by DNR reduces the amount of monitoring by approximately 75 percent. EPA does not perform such assessments; so public water systems would have to do more monitoring under federal regulation than is currently required under state regulation. The cost of increased monitoring would be passed along to the customers in the form of higher water rates.

Oversight assumes the fiscal impact of this proposal would be \$2.4 million per year in revenues to the Safe Drinking Water Fund, beginning September 1, 2002.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
SAFE DRINKING WATER FUND			
<u>Revenue</u> - Primacy fees	<u>\$2,000,000</u>	<u>\$2,400,000</u>	<u>\$2,400,000</u>
ESTIMATED IMPACT TO SAFE DRINKING WATER FUND	<u>\$2,000,000</u>	<u>\$2,400,000</u>	<u>\$2,400,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

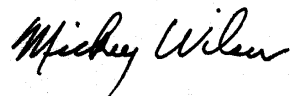
DESCRIPTION

This proposal would extend the Missouri drinking water primacy fee to September 1, 2007

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Natural Resources
Department of Health and Senior Services
Office of the Secretary of State
Department of Revenue



Mickey Wilson, CPA
Acting Director
February 20, 2002

